SOCIAL HOUSING
IN OTTAWA-CARLETON
Catching Up to the Demand

Discussion Paper

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SOCIAL HOUSING IN OTTAWA-CARLETON

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SOCIAL HOUSING IN OTTAWA-CARLETON

1.0 INTRODUCTION

This is one of a series of background papers prepared for the Regional Housing Statement Update. Social housing is an important part of the Regional housing stock, providing rental housing for low and moderate income households who are not well served by the private market. This paper examines the existing and future supply of social housing within the context of the anticipated demand. The current mismatch between demand and supply will be evident. The paper concludes with recommendations to increase the supply of social housing in RMOC, and a summary of the recent decisions by Council regarding the Region's role in the delivery of such housing.

2.0 WHAT IS SOCIAL HOUSING

The term "social housing" is used and misused by planners and politicians, tenants and homeowners, and is often used synonymously with "assisted housing", "public housing", and "non-profit housing". This discussion on social housing includes all forms of rental housing aimed at low and moderate income households and which contain some proportion of units with below-market rents and/or rents- geared-to-income (RGI). Social housing is provided under a variety of government programs and is primarily operated, on a non-profit basis, by municipal and provincial corporations, private non-profit corporations, or co-operative housing groups. This definition is broad enough to encompass a wide range of housing, including rent supplement units scattered throughout the Region in private market apartments and townhouses. In 1989, there were over 65 producers of social housing in Ottawa-Carleton, managing over 18,000 units.

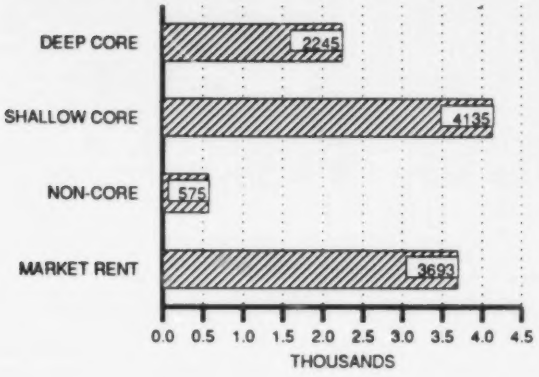
3.0 INDICATORS OF DEMAND

Attempts to measure the demand for social housing in Ottawa-Carleton have fallen short of providing a true indication of the level of need. The usage of social housing waiting lists to measure demand is similarly inadequate. These figures necessarily exclude some households in need; for example, those unaware of social housing or of their eligibility; those deterred from completing applications due to the length of the waiting list or the nature of the application forms. Considered together, along with other statistical indicators showing income and affordability, these two measures provide some notion of the dimensions of the short-term demand. The following sections examine a variety of factors which contribute to an understanding of the demand for social housing in Ottawa-Carleton.

3.1 Survey of Demand for Non-Profit Housing

In late 1987, the Regional Planning Department undertook a survey to measure the demand for non-profit housing in the urban part of RMOC. The survey was criticized for its failure to account for the homeless population, including those living in emergency shelters and hostels. The estimated two-year demand was for an additional 10,648 non-profit units, based on a sample survey of over 16,500 households. The estimated five-year demand of 12,368 units was also calculated from the questionnaire. At the time of the survey, there were over 17,000 social housing units in Ottawa-Carleton available from all producers.

FIGURE 1
UNIT DEMAND BY LEVEL OF SUBSIDY



Of the total demand, 6,380 households, equivalent to 60% of the total, qualified for core need assistance. These are the households considered by the Province to be the neediest, in terms of subsidy for RGI housing. Figure 1 illustrates the demand for social housing by level of subsidy, in accordance with Provincial definitions (see Annex A).

Figure 2 presents the Regional demand by type of household surveyed. Over half of the demand is generated by non- family households, of which 40% are single persons.[1] In 1986, just under one half of the 109,000 tenant households in the Region were non-family. The next largest share of demand comes from family households with children, accounting for 34% of total demand. Senior households accounted for 1,465 units, or 14% of total demand. Overall, senior-headed households comprised 15% of total households in RMOC in 1986.

With regard to subsidy levels, non-family households again predominate with nearly 3,000 households eligible for core need assistance, compared to about 2,500 family households. However, the incidence of need among family households is higher, with two-thirds of the family demand in core need, compared to just over one-half for non-families.

FIGURE 2
TOTAL DEMAND FOR NON-PROFIT UNITS

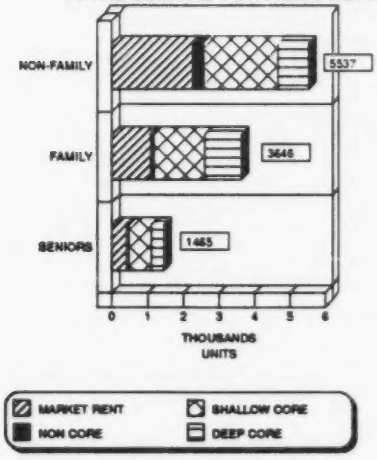
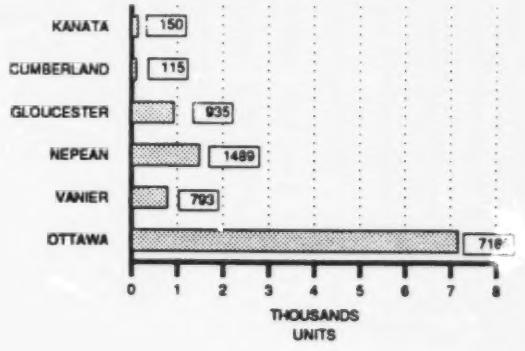


FIGURE 3
UNIT DEMAND BY MUNICIPALITY



1 For the purposes of the survey, family households are defined as families with children. Non-family households include single person households and households with two or more people but nochildren.

Within the Region, the City of Ottawa has the largest share of total demand, accounting for 67% of the total demand, as well as 67% of the demand for core need units. In 1986, the City of Ottawa accounted for about 42% of all tenant households in the Region.

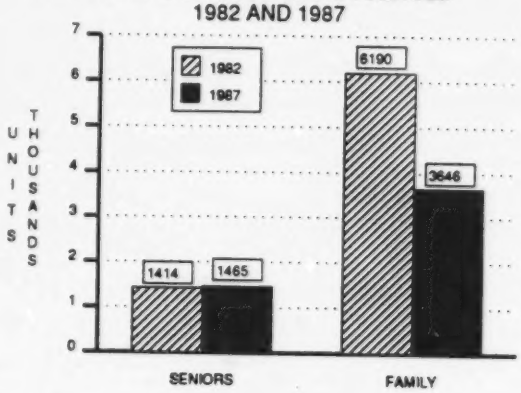
A substantial demand for family units exists outside of the City of Ottawa. Although the City accounted for about 52% of the family demand, over 20% of the total Regional demand came from Nepean, including 16% of the demand for core need units. By contrast, the demand for non-family units was heavily centred in Ottawa, accounting for three of every four households in need. It was estimated that 1,631 single persons in Ottawa were in need of non-profit housing, 92% of whom were eligible for subsidy.

One of the most significant results of the 1987 survey, apart from the overall high level of demand, was the substantial number of non-family households in need of social housing.[1] There are several reasons for this. The most significant is the fact that households without children, other than seniors, did not become eligible for any type of social housing until January 1988, about six months after the survey was completed. The pent-up demand was substantial. It has also been observed that government policies of the '80's, which promoted deinstitutionalization of persons with psychiatric and other disabilities, has contributed to the number of single homeless persons in this Region.

A similar survey was undertaken in 1982 for seniors and families. For the two household types covered by both surveys, a general comparison can be made (see Figure 4).

There has been a net decrease in the total demand for senior and family non-profit housing units since 1982. Senior demand was essentially the same in both years (1,414 units in 1982; 1,465 units in 1987), while family demand declined significantly from 6,190 to 3,646 units. This decrease may be attributed to a decrease in the demand for family units by households in the City of Ottawa and an increase in the overall supply of social housing in RMOC.

FIGURE 4
UNIT DEMAND BY TYPE OF HOUSEHOLD
1982 AND 1987



Overall, the City of Ottawa accounted for 72% of the total demand in 1982, compared to 59% in 1987, for comparable household types. As noted, the significant shift relates to the demand for family housing. In 1982, nearly three-quarters of the demand came from the City of Ottawa; by 1987, their share had dropped to just one-half. By contrast, family demand in the

1 It has also been accepted that the number of singles and childless couples in need was underestimated by the survey since the population in transient and/or residential facilities (e.g. transition homes, domiciliary hostels, transient hostels, alcohol-drug recovery hostels, etc.), was not accounted for.

City of Nepean increased from a 12% share in 1982 to 20% in 1987.

Similarly, Gloucester's share of demand nearly doubled from 8% to 15%. The distribution of demand for seniors housing remained fairly stable with the City of Ottawa accounting for the large majority of such demand in both 1982 and 1987.

3.2 Assessment of Waiting Lists

There are 10,190 housing units managed by the Ottawa- Carleton Regional Housing Authority (OCRHA) within RMOC.[1] City Living manages 4,599 units in the City of Ottawa. OCRHA maintains a joint waiting list with City Living for the most needy households applying for assisted housing. In addition, City Living produces a monthly report on the applicant waiting list which includes information on households which require only moderate or shallow subsidy (or market rent). Considered together, these waiting lists provide an indication of the current level of demand for RGI housing.

3.2.1 Applicants for Social Housing - December 1989

As of December 1989, there were 1,870 households on the joint OCRHA-City Living waiting list. An additional 1,190 households were on the waiting list for City Living housing. Of the total 3,060 households, 1,679 (55%) were families with dependents, 928 (30%) were single persons or childless couples, and 453 (15%) were seniors. Families comprised nearly two-thirds of the waiting list for City Living's housing stock, compared to about half of the total applicants on OCRHA's list. The significant number of singles and couples on OCRHA's waiting list indicates a population that is extremely needy.

There were an additional 66 households on the OCRHA waiting list who were classified as needing developmental, physical or psychiatric support services (special needs). Over 90% of the people on the OCRHA list were waiting for housing in the City of Ottawa.

Demand for one-bedroom units constituted nearly half of the total demand for OCRHA units in December 1989, whereas demand for housing in City Living's stock was heaviest for two-bedroom units. Almost 40% of the applicants on City Living's waiting list were looking for a two-bedroom unit, another 27% were interested in three-bedroom units. Of the 160 singles waiting for City Living housing, the majority were waiting for a bachelor apartment, and 35 were waiting for a room. There are no bachelor apartments in the OCRHA stock.

3.2.2 Growth of Demand in OCRHA's Waiting List

The number of applications for social housing increased steadily from 1986 to 1989, as indicated by the growth in the OCRHA joint waiting list. By August 1989, the number of applicants on the waiting list had surged to 2,739, more than double the number from 1984. The sizable growth in the waiting list in 1988-89 may be attributed to the change in the eligibility criteria announced on January 1, 1988, which entitled single persons and couples without children to

1 OCRHA is the Provincial agency which is responsible for housing built by the Ontario Housing Corporation prior to 1978.

apply for social housing.

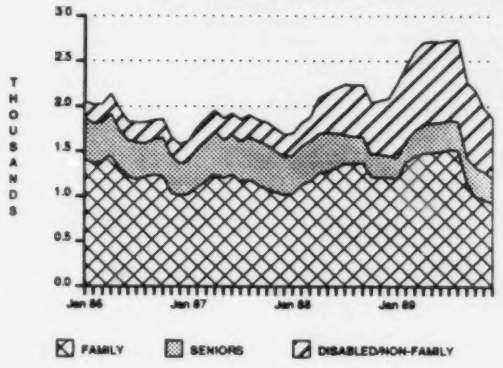
During the latter part of 1989, however, the waiting list decreased steadily to a total of 1,870 by December. An above-average rate of placements, combined with a below- average level of applications, contributed to this significant reduction.[1] The size of the waiting list has not fallen below 1,500 within the past five years.

Figure 5 illustrates the pattern of growth of the waiting list in the more recent period of 1986 to 1989. In December 1986, there were 1,572 households on the waiting list, of which 34.7% were rated in the neediest category. Three years later, there were 1,870 households on the waiting list, of which 47% were considered to be very needy. The total number of family households decreased slightly from 1,005 in 1986 to 958 in 1989 (having dropped from a peak of 1,510 in the summer). However, the proportion of very needy families grew from 42% in 1986 to 55% in 1989. The number of non-family/disabled persons tripled to a total of 636, although the number had been as high as 920 in May 1989. Conversely, the size of the Seniors' waiting list decreased from 358 in 1986 to 276 in 1989, although the percentage of very needy seniors rose from a low of 5% to 20%.

The most significant change in the demand for social housing units in recent years has been the broadening of the elibility criteria to include singles and childless couples. This is demonstrated by the growth in the waiting list of non-family households and the increase in demand for one-bedroom units. (Between December 1988 and December 1989 the number

FIGURE 5

OCRHA WAITING LIST FOR RGI HOUSING



of people waiting for one-bedroom units rose from 239 to 900).

3.3 The Homeless Population

There is no accurate way to measure the extent of the homeless population in Ottawa-Carleton. However, data has recently been made available on the usage of the emergency hostel system, typically considered the "place of last resort". There has been increasing pressure put on the emergency hostel system in the past five years, as hostels receive individuals they were never intended to serve, including those recently deinstitutionalized with drug-related, psychiatric or emotional problems.

The average number of hostel beds used in the six emergency hostels in Ottawa-Carleton has increased significantly from 1984[2] Monthly usage at that time averaged 3,605 beds. By 1988, usage had increased to an average of

1 During this period, OCRHA also conducted an extensive update of files. Many were subsequently purged as no contact could be made.

2 Data derived from RMOC Social Services Department, based onsubsidized beds only in emergency hostels.

5,978 beds per month; by 1989 to 6,124. This represents an increase in usage of 70% during the five- year period. Similarly, the average monthly occupancy levels have increased during this period, indicating that the growth in usage has also outpaced the growth in beds. In 1984, approximately 54% of all available beds in emergency shelters were occupied each month. By 1989, this had risen to nearly 80%. There were 273 emergency hostel beds subsidized by the Region in 1989, 50 targetted for women and 233 for men.

It is difficult to determine how many different individuals occupied the 73,484 beds used in 1989. Hostel staff indicated that many of the residents of emergency facilities are repeat users and many stay for 30 days or longer. The average length of stay was just over three weeks (22 days). If one-third of the users were repeats and the average length of stay was 22 days, it can be estimated that there were about 2,250 homeless people using the emergency shelter system in 1989.

Although the number of individuals living in emergency shelters have not been counted, it is apparent that the numbers relying on emergency shelters for accommodation are increasing. The population who need and who use these services is not a homogeneous one but generally includes individuals with a combination of social, economic or health problems. They may be people who have been hospitalized for psychiatric instability, people who have never been involved with doctors but have emotional or psychiatric problems. They may be people who have been in conflict with the law or who have experienced a family breakdown. Clearly, many of the users of the emergency hostel system would require levels of support or supervision in order to make the transition to living in the community. It is equally clear that these individuals would require financial assistance to pay for permanent accommodation. Some form of RGI or social housing would be required. Many of the individuals using emergency hostels also require support services to bridge the transition from emergency housing to permanent housing.

3.4 Tenants with Affordability Problems

The number of tenants who have difficulty affording their rent is estimated from the number of tenant households who spend more than 30% of their income on shelter costs.[1]

Between 1981 and 1986, the number of such persons increased by 25% to a total of 30,295 households. Of these, 13,610 households spent over half of their income on housing. Low income tenants constituted the majority of those having affordability problems, including 86% of all tenants spending more than 50% of their income on rent. Annex B defines 1986 income classes.

The City of Ottawa had the largest number of low income households with affordability problems (nearly 13,000). This is not surprising since Ottawa had 71% of the Region's rental stock in 1986. However, what is somewhat surprising is the fact that the incidence of affordability problems among low income households was lower in Ottawa (6.6 out of 10) than either Vanier (8.5 out of 10), Nepean or Gloucester (8.3 out of 10). This probably reflects the relatively large supply of social housing in the City of Ottawa.

These totals become even more significant when the number of tenants living in social housing are taken into account. In 1986, an estimated 17,000 tenants lived in some form of

1 Derived from: Census of Canada 1981, 1986.

social housing in Ottawa-Carleton and would have received or been eligible to receive RGI assistance. These tenants would have paid no more than 25% of their income on rent. Therefore, of the total 108,930 tenants in RMOC in 1986, approximately 81,930 lived in private market housing and more than 30,000 had affordability problems. Fully 37% of all tenants in market housing were paying more than 30% of their income on rent.

The 17,875 non-family households, 80% of whom are singles, were the group with the most affordability problems. Nearly 8,000 spent over half of their income on rent. Families headed by single parents also experienced significant affordability problems (total of 4,735). By contrast, less than 5% of all two-parent families reported that they were spending over 30% of their income or rent in 1986 (see Table 1).

Table 1

Rent to Income
(1986 Census)

	Total Population	Tenants Paying More Than 30%	Percent Of Total
Non-Family Households	70,350	17,875	25%
Single Parent Households	20,240	4,735	23%
Other Family Households	155,759	7,675	5%

More recent data collected by the Regional Social Services Department, corroborates the trend towards increasing affordability problems for tenants, particularly for singles. Although the study undertaken in 1990 is confined to a limited population (i.e., those households headed by an individual receiving General Welfare Assistance), the population is a growing one and corresponds closely to the group of low income households. The survey found that 82% of the GWA recipient households resided in private market housing in 1990. Only 6% were paying less than 25% of their income on private market housing. In the private market, the situation is more acute.

An estimated 15,250 GWA clients had affordability problems in 1990; of these about 10,000 would have spent more than 45% of their income on housing. While recent Provincial initiatives, including the 1988 eligibility criteria reforms and the 1990 social assistance reforms, will no doubt alleviate the situation for many tenants, the demand for social housing will still persist. Increased shelter allowances will not be adequate in a market with few vacancies in the private rental stock.

3.5 Projections of Demand

The Regional Planning Department has projected a tenant population of 122,491 in 1991, and 134,810 in 1996. If the incidence of affordability problems remains the same as it was in 1986, then there will be 34,298 tenants spending more than 30% of their income on shelter in 1991 and 37,747 in 1996. Recent trends have shown that housing costs for tenants

have worsened thereby indicating that the proportion of tenants with affordability problems is likely to be higher than the 28% reported in 1986. Moderating this trend, however, may be the effects of enriched shelter allowances for welfare clients. It is too early to assess the real impact of these reforms.[1]

In order to maintain the current levels of social housing in the Region to 1991 and 1996, at least 7% of the housing stock should be social housing. At a minimum, this would require an annual completions total of about 400 social housing units per year just to maintain the status quo. This target would not help to alleviate the total demand in any significant way, whether the demand is measured by the Region's survey, by the homeless population, or by the number of tenants with affordability problems. Considered together, there are over 30,000 households in need. Recent production of social housing has averaged 500 units annually. In order to improve the situation, a target of 1,000 social housing units per year is proposed.

4.0 SUPPLY OF SOCIAL HOUSING

Of a total estimated rental stock of nearly 120,000 units in Ottawa-Carleton, about 19,000, or 15%, can be classified as social housing. Five years ago, when the first Regional Housing Statement was prepared, there were

Table 2

Socially Assisted Housing in Ottawa-Carleton
1989

	Public Housing	Rent Supplement	Municipal Non-Profit	Private Non-Profit	Co-operative	Total
Ottawa	8,172	1,054	4,521	983	1,907	16,637
Nepean	99	227	146	184	227	883
Gloucester	0	259	0	83	290	632
Kanata	59	0	0	52	64	175
Vanier	259	55	0	0	32	346
Cumberland	0	0	24	0	0	24
Goulbourn	0	0	64	0	0	64
Osgoode	0	0	82	0	0	82
Rideau	15	0	30	0	0	45
Rockcliffe	0	0	0	0	0	0
West Carleton	0	0	25	0	0	25
Total	8,604	1,595	4,892	1,302	2,520	18,913

Source: Derived from Socially Assisted Housing in Ottawa-Carleton 1989 (map), with adjustments based on City of Ottawa inventory (Oct. 27, 1989)

1 A preliminary assessment undertaken by the Regional Social Services Department indicates that the majority of their GWA clients were still spending more than 30% of their income on housing as of May 1990. Only 10% spent less than 35%.

14,845 social housing units, then equivalent to about 14% of the rental stock.

Table 2 presents the distribution of the social housing stock, by municipality and by sponsorship. Just over half of the stock is managed by the Ottawa-Carleton Regional Housing Authority and is commonly identified as "public housing". OCRHA is the Provincial agency which administers the projects built by the Ontario Housing Corporation primarily in the 1960's and '70's. Housing in the OCRHA portfolio is 100% RGI.

By comparison, housing developed and managed by the non- profit and co-operative sector includes an income mix of tenants, with a minimum of 25% (co-ops) to 40% (non profit) targetted for the neediest households (identified as core need). The Municipal Non-Profit sector, which included nine corporations within RMOC, has provided just under 5,000 housing units, as of December 1989. Fully 90% of these units are located in the City of Ottawa and developed/managed by City Living. The remaining 472 units are dispersed among the rural municipalities and the City of Nepean.

Table 3 shows the distribution of social housing by tenant type for each municipality in 1989. A total of 6,788 units were targetted for senior citizens, which represents 39% of the total targetted stock (excluding the rent supplement component). The majority of the stock (55%) was targetted for family households.

A small but growing proportion was developed for a mixed use of tenants, including singles and

Table 3

Distribution of Social Housing by Tenant Type,1989

	Senior	Family	Mixed/ Single	Rent Supplement	Total
Ottawa	6,019	8,533	1,031	1,054	16,637
Nepean	349	307	0	227	883
Gloucester	0	373	0	259	632
Kanata	40	135	0	55	230
Vanier	234	57	0	0	291
Cumberland	24	0	0	0	24
Goulbourn	64	0	0	0	64
Osgoode	82	0	0	0	82
Rideau	45	0	0	0	45
Rockcliffe	0	0	0	0	0
West Carleton	25	0	0	0	25
Total	6,882	9,405	1,031	1,595	18,913

Source: Derived from Socially Assisted Housing in Ottawa-Carleton 1989 (map).

childless couples. The 1,031 units, for the most part, represent the newer stock of non-profit and co-operative housing and reflect the shift in demand fuelled by the larger numbers of needy singles.

Table 4 compares the distribution of the social housing stock in 1984 with that of 1989. Five years ago, 46% of the total social housing stock was designated for senior citizens, with the remainder for families (including a very small number of handicapped singles or couples). There were 6,370 senior housing units in 1984; by 1989, there were 6,788. By contrast, the family housing portfolio increased by over 2,200 units, from 7,386 units to 9,621 units. Nevertheless, the geographic distribution of housing remained the same in 1989 as in 1984, with family housing units available in only five of the 11 municipalities in the Region. The most significant change from 1984 is the shift to the production of housing for non-families, reflecting the impact of the new eligibility criteria in 1988. The 1,031 housing units available in

Table 4

Socially Assisted Housing in Ottawa-Carleton
1984 - 1989

	Family*		Senior		Rent Supplement		Total	
	1984	1989	1984	1989	1984	1989	1984	1989
Ottawa	6,980	9,564	5,717	6,019	830	1,054	13,527	16,637
Nepean	101	307	164	349	43	227	308	883
Gloucester	100	373	0	0	161	259	261	632
Kanata	135	135	40	40	0	0	175	175
Vanier	70	57	234	234	55	55	359	346
Cumberland	0	0	24	24	0	0	24	24
Goulbourn	0	0	64	64	0	0	64	64
Osgoode	0	0	82	82	0	0	82	82
Rideau	0	0	45	45	0	0	45	45
Rockcliffe	0	0	0	0	0	0	0	0
West Carleton	0	0	0	25	0	0	0	25
Total	7,386	10,436	6,370	6,882	1,089	1,595	14,845	18,913

*Note: Housing for non-senior singles is included with family (303 units in 1989).
Source: Derived from Socially Assisted Housing in Ottawa-Carleton 1989 (map), with adjustments based on City of Ottawa inventory (Oct. 27, 1989), and; Regional Housing Statement Update, 1985.

1989 were all within the City of Ottawa.[1]

4.1 Production of Social Housing

The production of social housing shifted from the Provincial sector (Ontario Housing Corporation) to the non-profit sector in the late 1970's. Municipal and private non-profit groups, along with housing co- operatives, have become the only generators of new social housing in Ontario (with the exception of the limited Rent Supplement Program). The shift in responsibility from the Province to the municipality or community agency has been achieved through the development of a variety of programs, most notably the Federal- Provincial agreements enabling the non-profit housing program and the co-operative housing program. More recently, in 1988 the Ministry of Housing launched a unilateral program called HOMES NOW, which promised to deliver up to 30,000 social housing units in the Province by 1991.

The numerous non-profit and co-operative housing groups in RMOC compete annually for the scarce allocations for housing granted by the Ministry of Housing. Historically, over the past five years, RMOC has received about 9-10% of the total Provincial allocation. Since 1986, RMOC has received about 600-650 units annually, out of approximately 6,700 units allocated across the Province. Although the Province has no rigid formula to determine the distribution of units, several factors are assessed, including: the local waiting lists, the existing housing stock, vacancy rates, local income distribution (census) and turnover rates experienced in existing social housing.

The 1989 allocation for RMOC included 558 units under the Federal-Provincial program, and 1,984 units under the HOMES NOW Program (Phases I and II). 80% of the HOMES NOW allocation (1,445) was awarded to City Living, with the balance distributed to the municipal non-profit corporations in Nepean, Vanier and Gloucester, and a 105 unit allocation to CCOC, a large private non-profit corporation in the City of Ottawa. About half of the Federal-Provincial allocation will be used by non-profit groups within the City of Ottawa. As a proportion of the total Provincial allocation of the HOMES NOW units, RMOC received only about 6.5% of the announced total. Emphasis had been placed on targetted priority areas around the Greater Toronto Area, which received nearly two-thirds of the total.

1 The importance of this shift in demand has been studied in depth in two recent reports: (1) Strategic Housing Plan for Singles, City of Ottawa / RMOC, 1989; and (2) Options for Housing Lower Income Singles and Couples in Ottawa-Carleton, 1989, prepared for the Ottawa-Carleton Regional Housing Authority by ACS Group Ltd. For a more detailed look at the implications for senior housing, see: "Seniors Housing issues and Options;"RMOC Planning Department, 1990.

5.0 EFFECTIVENESS OF THE EXISTING SYSTEM OF SOCIAL HOUSING DELIVERY

As described, the current system of delivering new social housing units relies on the non-profit and co- operative housing sector. The effectiveness of this system, in making appropriate housing available in a region, is dependent upon several factors, including: the producers' success in securing and using the allocations awarded, the producers' ability to deliver the housing within the maximum unit price quidelines established by CMHC and the Province, and the success of producers in providing housing in locations where it is needed.[1]

5.1 Producers in RMOC

As previously mentioned, there are over 60 producers of social housing in RMOC. Of those currently active, City Living (the City of Ottawa's Non-Profit Housing Corporation) is by far the largest, accounting for 52% of the non-profit/co-operative housing stock. The other eight municipal non-profit housing corporations[2] together account for fewer than 400 units. All of the rural municipalities have built non-profit housing for seniors (a total of 226 apartments). Until 1987, there were no other municipal non-profit housing corporations in the Urban areas of the Region outside of Ottawa. Since that date, Nepean has completed 146 units and allocations have been secured for an additional 130 in Nepean, 34 in Vanier and 104 in Gloucester. The "third sector", including private non-profits and co-operatives, together provide about 3,700 units, equivalent to 43% of the stock (excluding public housing managed by OCRHA).

There appears to be a number of reasons why the municipal non profit corporations outside Ottawa have been unable to produce a greater number of units over the past few years. These factors include: the lack of appropriate and affordable land, the absence of an adequate allocation, the impact of neighbourhood resistance, the inflexibility of Provincial requirements, and lack of expertise and adequate staff support.

5.2 Securing Allocations

Allocations awarded by the Provincial government, indicating a pre-commitment of funds for social housing, are announced annually on a project-by-project basis. In any given year, the demand for allocations for social housing far exceeds the supply which, in turn, is dictated by the available pool of Provincial and Federal funds. The Ministry evaluates individual applications for unit allocations and considers the need and demand in each local municipality where projects are proposed.

Although non-profit and co-operative groups in the Region have been refused allocations on several occasions, municipal non-profit corporations, in particular, have not cited the availability of allocations as a major obstacle to development.[3] Rather, the more serious concern has been with the system of annual allocations with rigid deadlines. Delays at various

1 For a more complete review of the effectiveness of the existing system, see: Price Waterhouse, Study of Municipal Non-Profit Housing Delivery, Regional Municipality of Ottawa-Carleton", September 15, 1989.

2 Osgoode, Gloucester, Goulbourn, West Carleton, Rideau, Nepean, Vanier, Cumberland

3 Price Waterhouse "Study of Municipal Non-Profit Housing Delivery", 1989, p. 11.

stages of the development process have forced the cancellation of projects and consequently, a re-assignment of allocations to other areas of the Province. (The flexibility introduced by the HOMES NOW program has addressed this concern but there is no assurance that a similar replacement program will exist in the future).

Nevertheless, the issue of senior government funding, and the concomitant awarding of allocations, is central to the future of social housing development. The provisions of the existing Federal-Provincial and, indeed, Provincial HOMES NOW programs, have enabled the production of non- profit and co-operative housing at full cost recovery to the municipality or sponsoring group. Concerns that the future levels of Federal and Provincial funding will decrease have already been corroborated by the 1990 Federal budget reductions in the Canada Assistance Plan.

There appears to be further evidence that the Ottawa area may be getting a decreasing share of an increasingly smaller Provincial pie. The area's allocations under the HOMES NOW program comprised about 6.5% of the Ontario total. There is a perception from the Ministry that Ottawa-Carleton is well-supplied with social housing relative to other areas of the Province.

Table 5

1988 Housing Starts, Selected Municipalities

	Social Housing	All Housing	Social Housing as % of Total
Windsor	149	1700	8.8%
Ottawa	632	8250	7.7%
Sudbury	119	1189	10.0%
Toronto	2320	38791	6.0%
Hamilton	165	4555	3.6%
Thunder Bay	88	744	11.8%
ONTARIO TOTAL	5442	88727	6.1%

Source: CMHC, Canadian Housing Statistics

Table 5 presents information on social housing starts in selected urban areas of Ontario. While the Ottawa area fared better than other centres, the level of production was not the highest in the Province. In Ottawa, 7.6% of starts were social housing, compared to 8.8% in Windsor, or 10% in Sudbury and Thunder Bay and 6.2% in the Province as a whole.

The shift in Provincial emphasis to other parts of Ontario was underscored most recently by the 1990 announcements of the Maximum Unit Price guidelines (MUP) for sub-regions within Ontario. In April 1990, the Ottawa-Carleton area received no increase in the MUPs (beyond the September 1989 values) and, as a consequence, has become the area with the second-lowest MUPs in Ontario.[1] This issue will be explored in the following section.

5.3 Maximum Unit Prices

The ability of a producer to deliver the housing, once the allocation has been announced, depends almost singularly on the producer's ability to deliver a project within the locally-determined MUPs values set each year by CMHC and the Province. MUPs are developed for each region and the Province for each housing type eligible under the Provincial and Federal housing programs. Values are based on local construction and land costs, including an assessment of servicing costs, development charges, professional services (legal, engineering, architectural, planning) taxes, organizational expenses, landscaping, etc. It is the developer's responsibility to commit the

1 London, Ontario, has the lowest

proposed project to the MUP guideline. In the recent experience of developers in RMOC, this is the most difficult aspect in the delivery of social housing.

Table 6 includes the 1988 and 1989 MUP guidelines for the Ottawa region, which applies to all municipalities in RMOC.[1] The only "bonus" primarily affecting the City of Ottawa, is a $13,000 premium for each underground parking space required for highrise projects. The difficulty in developing projects under

Table 6

1988 AND 1989 MUPS
OTTAWA-CARLETON
(IN THOUSANDS OF DOLLARS)

FAMILY UNITS

	ROW				STACKED ROW			
	1988	1989 (Jan)	1989 (Sep)	1988 to SEP.'89 CHANGE	1988	1989 (Jan)	1989 (Sep)	1988 to SEP.'89 CHANGE
Studio	--	--	--	--	--	--	--	--
1 Bedroom	75	82	82	9.3%	59	65	70	18.6%
2 Bedroom	81	89	95	17.3%	69	76	83	20.3%
3 Bedroom	85	93	100	17.6%	79	85	92	16.5%
4 Bedroom	89	98	106	19.1%	88	94	98	11.4%

	APARTMENT < 3 STORY				APARTMENT > 3 STORY			
	1988	1989 (Jan)	1989 (Sep)	1988 to SEP.'89 CHANGE	1988	1989 (Jan)	1989 (Sep)	1988 to SEP.'89 CHANGE
Studio	53	58	60	13.2%	64	69	69	7.8%
1 Bedroom	58	64	66	13.8%	70	75	75	7.1%
2 Bedroom	65	72	76	16.9%	78	83	89	14.1%
3 Bedroom	71	78	85	19.7%	87	92	98	12.6%
4 Bedroom	--	--	--	--	--	--	--	--

SENIOR UNITS

	1988	1989 (Jan)	1989 (Sep)	1988 to SEP.'89 CHANGE
Studio	62	68	68	--
1 Bedroom	67	74	82	22.4%
2 Bedroom	77	83	89	15.6%

Note: A premium ($13,000 per space) may be available in the future for underground parking in highrise projects.

1 Most recently, the Spring 1990 announcement of MUPs left RMOC unchanged from 1989, in contrast to other regions which received increases higher than anticipated.

MUP becomes apparent when comparing the MUP to the estimated unit cost of a townhouse project based on the average market costs for construction and land calculated by the Ontario Home Builders' Association.[1] At an estimated construction cost of $70/square foot, an 1,100 square foot three-bedroom townhouse (as per the CMHC maximum size guideline) would cost $76,774 to build. With a land cost of $1,000-$1,200 per square foot, the land component averages $20,000 and development charges (Regional plus municipal) would reach $8,000-$10,000, depending upon the municipality. In 1989, the total before-profit cost of a three-bedroom townhouse would be $105-$107,000. By contrast, the equivalent 1989 MUP was $93,000, but subsequently increased to $100,000 in September 1989.

On a project-specific basis, the shortfall in the Ottawa area MUP was demonstrated through a review co-ordinated by the City of Ottawa. Table 7 illustrates the extent of the shortfall in 1989 for a variety of projects then under consideration.

Table 7

Estimated Capital Costs For Social Housing Projects

	Size of Project	MUP Shortfall
1.	52 apartments (Ottawa)	14%
2.	20 stacked townhouses (Ottawa)	28%
3.	34 apartments (Ottawa)	21%
4.	78 stacked townhouses (Kanata)	21%
5.	145 apartments (Ottawa)	27%
6.	183 apartments/townhouses (Ottawa)	20%
7.	70 stacked townhouses (Gloucester)	9%

Although the single biggest problem is acquiring affordable land, increases in other development costs were also cited as causing difficulties (i.e., interest rates, development charges). The effect of not increasing MUPs in 1990 is significantly more damaging since land prices, construction costs, interest rates, development charges, have, of course, not remained constant.

According to the Construction Price Statistics published by Statistics Canada, the new house price index for Ottawa-Hull rose by 10 points from 150.6 to 160 between January 1989 and February 1990—making it the largest 12-month increase since 1986. The cost of land was the main factor contributing to this increase.

Forecasts for the delivery of social housing over the next several years must take into account the mounting costs of development anticipated by an extended period of high interest rates, increasing lot levies attributable to the new Provincial Development Charges Act, the decreasing level of funding from senior governments and the uncertain effect of the GST. The scarcity of land appropriate for residential uses in the City of Ottawa is another concern for the major housing producer in the Region.

5.4 The Geography of Social Housing

The question of whether social housing is being produced in areas where it is needed was explored by the Price Waterhouse study, primarily within the context of a "fair share" model.[2] The notion of fair share was examined within the context of responsibility, need and opportunity. The former relates to sharing the responsibility for providing housing; need re-

1 Ontario Home Builders Association, "Housing: Restoring the Dream"

2 Price Waterhouse, Op. Cit. p. 7-11

lates to locally-generated demand; and opportunity relates to development activity. The Consultants concluded that "the supply of units in urban municipalities other than Ottawa is seriously inadequate in relation to any of the possible "fair share" criteria" (page 12).

Table 8 compares the supply and demand factors by municipality. In 1988, the City of Ottawa accounted for 89.3% of the Region's social housing but only 55% of the overall housing stock and less than a third of the new housing activity that year, as measured by housing starts. At the same time, the City of Ottawa has demonstrated the greatest need for social housing in RMOC, accounting for 67% of the Regional demand for social housing and 64% of the Region's population with shelter affordability problems. The City of Ottawa had less than half of the Region's population in 1988

Table 8
Supply and Demand Indicators
of Social Housing
Municipal Shares in RMOC

	Supply (1988)			Demand		
	Total Housing	Housing Starts	Social Housing Stock	Total Population	Survey* Of Need	Households with Affordability Problems**
Ottawa	55.1%	30.9%	89.3%	48.3%	67.3%	64.4%
OTHER URBAN						
Nepean	14.1%	22.7%	4.1%	15.8%	14.0%	10.3%
Gloucester	12.2%	10.6%	3.0%	14.9%	8.8%	9.8%
Kanata	4.1%	9.6%	0.8%	5.0%	1.4%	2.5%
Cumberland	4.1%	14.0%	0.1%	5.2%	1.1%	2.2%
Vanier	3.5%	1.3%	1.7%	2.9%	7.4%	6.0%
Rockcliffe Park	0.3%	0.1%	0.0%	0.4%	--	0.5%
Sub-Totals	38.4%	58.2%	9.6%	44.2%	32.7%	31.3%
RURAL						
Goulbourn	1.8%	3.6%	0.3%	2.1%	--	1.2%
West Carleton	1.7%	2.6%	0.1%	2.0%	--	1.1%
Osgoode	1.6%	2.8%	0.4%	1.9%	--	1.0%
Rideau	1.4%	1.9%	0.2%	1.6%	--	1.6%
Sub-Totals	6.5%	10.9%	0.1%	7.6%	--	4.3%
Regional Total	100%	100%	100%	100%	100%	100%

* Derived from 1987 Survey of Demand for Non-Profit Housing

** Based on Census of Canada for households spending more than 30% of their income on shelter. (1986)

and, in fact, continues to experience a decreasing share on an annual basis. Nevertheless, the proportion of social housing in Ottawa appears to exceed the magnitude of the demand. By comparison, the combined share of social housing in the other urban municipalities in the Region at under 10% is severely inadequate for the demonstrated share of need. Over 32% of the total surveyed demand in 1987 came from the urban areas outside Ottawa, as did 31% of the Region's households spending more than 30% of their income on housing.

The gap between supply and demand in areas outside of Ottawa will continue to widen without a substantial increase in the level of social housing starts. As the Region grows into the next century, the City of Ottawa will account for an ever-decreasing share of the Region's population by 2001 (under 40%) and of the Region's new housing construction (about 25% of total starts).[1] The situation is starting to improve, particularly due to an increase in activity by the municipal non-profit housing corporations. In 1989, 25% of the social housing completions occurred outside of Ottawa, up from only 15% in 1988. Activity in Vanier, Gloucester and Nepean in 1990 should also contribute to a greater share of social housing in the urban areas outside Ottawa.

Nevertheless, much work needs to be done to achieve a better distribution of social housing in RMOC, indicative of the demand. The goal for the next five years should be to increase the share of social housing outside of Ottawa, with one-half of all new social housing available outside of Ottawa by 1996. Achieving and maintaining that target over the next few years will be a challenge requiring not only local but also Regional commitment.

5.5 The Regional Role

The role of the Regional government in delivering social housing has been examined on many occasions and, most recently, was studied in depth by Price Waterhouse (as previously noted). Recommendations to enhance the Region's role ranged from the most direct method; i.e., delivery of housing by the Region through the establishment of a Regional Non-Profit Housing Corporation, to a supportive role through the establishment of a land bank for social housing.

The Consultant's recommendations and subsequent staff recommendations were considered by a number of Committees over a period of nine months. On June 13, 1990, Council approved the following recommendations:

1. That Council facilitate the provision of non-profit housing in Ottawa-Carleton, by:

(i) Using the subdivision approval process to ensure that approved principles with respect to the distribution of affordable housing are being implemented;

(ii) Giving priority to non-profit housing in the disposal of any surplus Regional property; in leasing air rights over the transitway, or in major acquisitions of surplus land from other levels of government;

(iii) Establishing a revolving fund to purchase land for resale (or lease) to MNPCs or other non-profit producers at cost.

(iv) Co-ordinating the Region-wide acquisition and distribution of allocations for non- profit and co-operative housing.

1 Projections based on "Population Projections: Ottawa-Carleton 1986-2001", RMOC Planning Department, April 1990

2. That Council authorize staff of the Planning Department, Property Services Department, Finance Department and Legal Department to prepare a plan for the development of a revolving fund to purchase land for resale (or lease) to MNPCs or other non- profit producers and to report back prior to Council's consideration of the 1991 budget.

3. That Council authorize staff of the Social Services Department, Planning Department and Property Services Department to re-examine the policy for the disposal of surplus Regional property, to give priority to non-profit housing producers.

4. That the appropriate agreement with the Ministry of Housing to establish the Region's authority to co- ordinate the Region-wide acquisition and distribution of allocations for non-profit and co- operative housing, to the satisfaction of the Regional Planning Commissioner and Regional Solicitor, be authorized for execution by the Chairman and the Clerk.

5. That appropriate legislation on official plan amendments drafted to be brought back to Executive Committee.

It is expected that the effect of implementing these recommendations will be to facilitate the development of new social housing in the Region. The expertise of the existing producers will continue to be used and, under the new land banking and land disposal program, they will have more opportunities to acquire land at affordable prices within the MUP guideline. It is further hoped that the Region's role in the allocation process will help to achieve more allocations and a greater share of the Provincial total. It should additionally help to achieve a better geographic distribution of new units.

Procedures for implementing the Council recommendations are under review by staff of the Regional Planning, Legal, Financial, Property, and Social Services Department. Specifically, there needs to be developed:

- a multi-year plan for land acquisition, based on an estimate of social housing unit allocations;
- a budget for land acquisition;
- criteria for site selection, including priority areas within RMOC, and identification of responsibilities for negotiating land;
- policies regarding the outright sale of land or lease of land to producers, including selection criteria for groups based on priority areas and the identification of the neediest client type;
- policies to make housing a priority use, in the disposal of surplus Regional lands;
- a proposed program to phase-in the Region's role in the allocations process, subject to Provincial approval;
- a review of the Regional Official Plan to determine if amendments are needed to enable Regional authority to zone land for social housing developments;
- procedures to co-operate with the non-profit and co-operative housing producers in the allocations and land requirements process.

6.0 CONCLUSIONS

By all measures, the demand for social housing in RMOC far exceeds the supply in every municipality for every client type. The effectiveness of the existing system in delivering new social housing units is questionable due to its dependence on the one hand, on senior govern-

ment funding and, on the other, on a plethora of non-profit and co-operative housing groups at work in the Region. There is currently no effective way to ensure that social housing is built in the areas in which it is most needed, despite Provincial attempts to distribute allocations on the basis of highest need. The successful development application is more likely to reflect the expertise of the organization in assembling land, in documenting need, and in engaging the support of local government.

With anticipated reductions in government funding, municipal and other non-profit producers will be faced with the challenges of trying to provide housing for a growing needy population. Alternative mechanisms using market financial instruments will have to be explored. At the same time,the Province and CMHC should re-evaluate their programs and their objectives for social housing. Dollars for social housing need to be maximized, and senior governments should determine whether there are more cost effective ways to provide housing subsidy.

6.1 Summary of Findings

The following highlight the key findings affecting the supply and demand of social housing in RMOC:

6.1.1 There is no accurate way to measure the true demand for social housing in RMOC but the combined consideration of the 1987 survey, the 1989 waiting lists, the Census data on shelter affordability, and the growth in emergency shelter usage, indicate a significant number of households in need of social housing. This would include an immediate need for at least 3,000 units to meet the current waiting lists, up to a total of 6,400 units to meet the RGI need surveyed in 1987, or a total of over 13,000 units to meet the need of tenants spending more than half of their income on housing.

6.1.2 The nature of the demand has shifted in the past few years to a current immediate need for housing for singles and childless couples. This is indicated by the sizeable non- family demand recorded in the 1987 survey (about half of all total demand and also half of all core need demand); the 200% increase in demand for one-bedroom units shown by the waiting lists between December 1988 and December 1989; the 17,875 non-family households (80% single) with affordability problems in 1986, and the 70% growth in emergency shelter usage between 1984 and 1988.

6.1.3 The relative demand for seniors housing has decreased despite the increases in the population aged 65 and over. The demand for family housing remains strong, particularly in areas outside of Ottawa. Single-parent families are continuing to comprise the most needy family households, with 23% experiencing shelter affordability problems.

6.1.4 In 1989, about 19,000 housing units out of a total stock of 120,000 were classified as social housing (15% of stock). 90% of all social housing is in the City of Ottawa, which accounts for less than half of the Regional population.

6.1.5 There are over 60 producers of social housing in RMOC, including nine municipal non-profit housing corporations. Only Kanata and Rockcliffe Park are without an MNPC. City Living accounts for 52% of the non-profit/co-operative stock. The other eight MNPCs combined account for less than 5%.

6.1.6 Over the last five years, social housing completions averaged 500 units per year. In 1984, 46% of the stock was for senior citizens, by 1989, it was 35%. Over 1,000 units were added for single and/or a mix of tenants.

6.1.7 The existing system for delivering social housing in RMOC has not been effective in achieving a fair distribution of housing across the Region. Urban areas outside Ottawa accounted for 38% of all housing in the Region, 58% of all housing starts, 33% of all surveyed demand for social housing, 31% of all households with affordability problems, but only 9.6% of all social housing.

6.1.8 The most difficult problems to overcome in the development of social housing include:

- developing a project within "unrealistic" MUP guidelines;
- acquiring appropriate land;
- in some cases, utilizing the allocations; in others—obtaining adequate allocation;
- competing with other producers within RMOC; and
- ensuring that units are built in areas where it is most needed.

6.1.9 The effect of not increasing the Ottawa area MUP for 1990 (as announced) is particularly damaging in light of recent increases in the costs of land and construction. Between January 1989 and January 1990, the consumer price index for new housing in Ottawa-Hull recorded the largest 12- month increase since 1986. The costs of development in 1990 and beyond, will also be affected by high interest rates and anticipated increases in Regional and municipal development charges.

6.2 Future Trends

It is anticipated that trends over the next five to 10 years will serve to increase the demand for more social housing units, including:

- increasing losses of affordable rental stock in the private market, exaggerated by decreasing levels of new rental market production;
- continued high rates of population growth in RMOC with an overall increase in demand for housing;
- continued devolution of fiscal and other responsibilities from senior levels of government to the municipalities—leading to increased competition for scarce public funds; and
- the aging of the existing social housing stock, primarily in the City of Ottawa.

There are, however, two notable positive developments which may help to mitigate the effects of these trends; namely, the effect of the Provincial Policy Statement on housing and the impact of the social assistance reforms initiated in 1990. The former should result in an increase in affordable housing provided by the private sector in every municipality and the latter will result in increasing the shelter allowance for welfare recipients.

7.0 RECOMMENDATIONS

Based on the foregoing, it is evident that improvements are required in the delivery system of social housing. The event to which changes may be required at the Provincial and Federal levels are not, strictly speaking, within the scope of this study. The extent to which the Region and its constituent municipalities can affect the production of social housing are, however, key concerns. Following are recommendations which are intended to improve upon the existing system, within an overall objective of making more social housing available to a wider range

of clients in more locations throughout this Region.

7.1 Recommendations of 13 June 90

In recognition of the need to assist social housing producers in the resolution of their number one problem; namely, the availability of affordable land, Regional Council approved a series of recommendations on June 13 90. The combined effect of these recommendations, once implemented in full, should be an increase in the supply of appropriate lands for social housing and a more balanced geographic distribution within the Region. The following approved policies relate directly to land and housing distribution:

Council will facilitate the provision of non-profit housing in Ottawa-Carleton, by:

(i) Using the subdivision approval process to ensure that approved principles with respect to the distribution of affordable housing are being implemented;

(ii) Giving priority to non-profit housing in the disposal of any surplus Regional property; in leasing air rights over the transitway, or in major acquisitions of surplus land from other levels of government;

(iii) Establishing a revolving fund to purchase land for resale (or lease) to MNPCs or other non-profit producers at cost.

Furthermore, Council approved the following recommendations, in order to maximize the opportunities

for Provincial funding in this Region; and to facilitate a more streamlined development approval process with the possibility of an enhanced Regional authority in this regard:

(i) The Region would assume the responsibility for co- ordinating the Region-wide acquisition and distribution of allocations for non-profit and co-operative housing.

(ii) Regional staff will prepare official plan amendments, as required, to facilitate the zoning and other approvals necessary for social housing projects.

7.1.1 Implementation of these recommendations will be undertaken by an inter-departmental team, who will prepare procedures and policies affecting property acquisition and disposal, budget for 1991, subdivision approval, and Official Plan policies on housing.

7.2 Additional Recommendations

7.2.1 It is recommended that a social housing production target of 1,000 units per year be established for RMOC for 1991- 1996. This target represents the minimum number of housing units needed to maintain the current levels of social housing in the Region at 15.5% of the rental stock, plus an allowance for the growth of the population in need of social housing. The target is well below estimates of need. The target will be reviewed each year and will be used as the basis for an annual submission to the Ministry of Housing for a bulk allocation for RMOC. Further, in order to address the current immediate need for housing for non-family households, particularly singles, it is recommended that 50% of the annual target be designated for housing projects with a good mix of units suitable for single persons.

7.2.2 In order to achieve a better distribution of social housing across the Region, and in keeping with the local levels of demand, it is recommended that an increasing share of the social housing starts in RMOC be in areas outside of the City of Ottawa; by 1996, 50% of all new social housing

should be outside of the City of Ottawa. In order to catch up to the demand in the urban areas, it is expected that new social housing will be targetted to growth areas in Kanata, Nepean and Orleans.

7.2.3 In order to implement Council's recommendation of June 13 90, regarding the Region's responsibilities for allocations, it is recommended that Regional staff coordinate with the most active social housing producers in RMOC to establish the yearly need for allocations. This will take into account the need by client type, by geographic location, by land requirements, and by unit type and will be assessed in the context of the overall housing targets.

7.2.4 In order to encourage the production of social housing and to assist in the viability of specific social housing projects, it is recommended that the options for waiving or reducing development charges for affordable housing (under the Development Charges Act 1991) be examined by the Consultant and study team currently reviewing the Region's policies on development charges. Key issues to be considered include:

- whether MUP values will be adversely affected in subsequent years;
- whether the reduction/waiver should be tied to the size of the dwelling unit, the sponsorship of the dwelling unit, the intended client group, or the price of the dwelling unit;
- whether there is an effect on the rest of the housing market;
- whether there is an effect on municipal development charges.

7.2.5 In order to ensure that the Maximum Unit Price guideline is adequate for the Ottawa-Carleton area, and specifically, that it incorporates realistic land values and up-to-date development costs, it is recommended that the Province review the Maximum Unit Price guidelines with Regional staff before they are finalized.

7.2.6 In order to address the needs of the diverse population of singles, many of whom require a supportive living arrangement, it is recommended that the Region invite group home providers to purchase Regionally-owned land in areas appropriately zoned.

7.2.7 In order to improve service to the neediest population and to maximize their opportunities for placement in social housing, it is recommended that a Regional Housing Registry be established. The purpose of the Registry would be to have a central application centre for all types of social housing and to maintain a centralized waiting list(s).

7.2.8 It is recommended that Regional Council request the Minister of Housing and the Minister responsible for CMHC to assess their current social housing programs. The objective would be to determine the cost effectiveness of the existing methods in delivering the appropriate housing. Other options should be examined, including expansion of rent supplement.

7.2.9 It is recommended that local municipalities with the responsibility for non-profit housing delivery investigate new approaches to producing social housing, in order to maximize development and minimize dependence on Federal and Provincial programs. Joint ventures with the private sector, affordable home ownership through land trusts are two examples.

INCOME TARGETING CATEGORIES

Income

Income levels are established to delineate the various degrees of need for assistance among respondents. The income levels separate those households considered to be the "neediest" from those with lesser need and those that require no assistance. These income cut-offs established by the Ministry of Housing and Canada Mortgage and Housing Corporation (CMHC) vary by household size and by region.

For a household to be considered "needy", it must:

1. Have an annual household income that falls below the Core Need Income Threshold (CNIT) established AND meets at least <u>one</u> of the following conditions:

    i) pay 25% or more of their gross annual household income on shelter costs; <u>or</u>

    ii) live in unsuitable accommodation; <u>or</u>

    iii) live in inadequate accommodation.

Source: Ministry of Housing, Implementation Guide for Municipal Housing Statements, 1990.

Shelter Costs	Households that currently pay 25% or more of their gross annual income for their present accommodation.
Adequacy and Suitability of Accommodation	Households with inadequate or unsuitable accommodation, such as:

- o Size of Dwelling* - A unit too small to accommodate all members of the household according to Ministry criteria OR too large to maintain, particularly for senior citizens;
- o Health or Safety Hazards* - For example, faulty wiring, falling plaster, no fire exits, etc.;
- o Undesireable Features* - For example, sharing bath or kitchen facilities with another household; lack of ventilation or recreation areas;
- o Health* - For example features which aggravate or are incompatible with a physical, developmental, or psychiatric disability.

* Households need only meet one of these conditions.

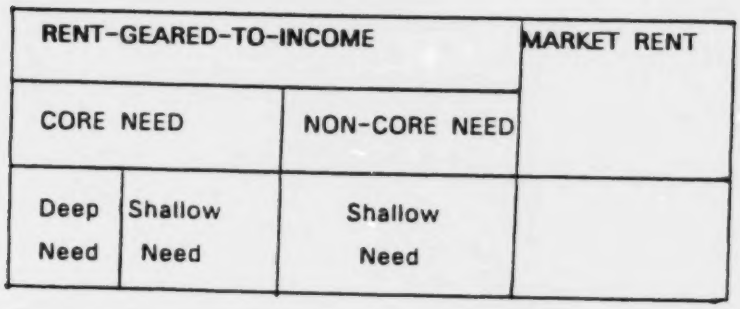
A4.6.4 INCOME TARGETING CATEGORIES

The **Core Need Income Thresholds** (CNITS) identify the maximum income required to afford suitable and adequate accommodation within a given market area. Core Need is further subdivided and a "neediest" group identified. The **Deep Need Income Cut-Offs** established by the Ministry of

Housing represent maximum income amounts that an applicant must not exceed in order to be considered in need of a "deep need" subsidy. The Deep Need Income Cut-Offs and CNITs are based on bedroom count. Figure 1 below illustrates the various need levels.

FIGURE 1

INCOME TARGETING CATEGORIES



Current Deep Need Income Cut-Offs and Core Need Income Thresholds for seniors and households are provided by the Housing Analyst.

1989 INCOME CUT-OFFS : $

OTTAWA-CARLETON REGION
PLANNING DEPARTMENT
JUN 23 1989

1. **DEEP CORE NEED (Province-wide)**

   a) Senior Citizens: single - 9,792 couple - 16,260

   b) All Other Households: 1 bdr - 12,108 3 bdr - 20,076
   2 bdr - 15,768 4 bdr - 24,384

2. **SHALLOW CORE NEED (varies by area)**

   These income cut-offs apply to all households

Area*	Bedroom Count 1	2	3	4
Ottawa	20,000	26,000	32,000	34,000
Cornwall	16,000	20,000	23,000	26,000
Kingston	17,000	21,000	27,500	33,000
Hawkesbury	15,000	17,500	21,000	23,000
Pembroke	16,500	20,000	24,000	26,000
Brockville	16,500	20,000	26,000	29,000
Belleville	19,000	21,500	25,000	31,000
Eastern Region	16,500	19,500	24,000	26,000
Rural Markets	16,000	19,000	22,500	25,000

*For the specific locations included in each area check the area guide at the end of this report.

3. **NON-CORE R.G.I.**

   For the Federal-Provincial Program, CMHC cost-shares rent subsidies only up to the Core Need Income Thresholds (CNITs). In areas where market rents justify it, a third category of rent subsidy, funded unilaterally by the Province, is available to bridge the affordability gap between CNITs and project market rents.

   To calculate this income cut-off, the Regional Appraiser is asked to supply a market rent for each bedroom size for the specific location in question. The income cut-off for each unit size equals the applicable market rent times 48, since households pay one-quarter of their gross income for rent.

   For Provincial Non-Profit Programs (P3000, P3600, HOMES NOW), the SHALLOW CORE NEED and the NON-CORE R.G.I. categories are collapsed into one. The targetting plans for these programs therefore contain three rent levels; deep core, "shallow need", and project market rent.

4. **MARKET RENT**

   Households whose gross income is above the appropriate CNIT for F/P, or the "shallow need" income cut-off (48 times market rent) for Provincial Programs, pay project market rents.

Income Cutoffs
(1985 Income)

Household Size	Low* Income	Moderate** Income
1 Person	$10,233	$20,466
2 Persons	$13,501	$27,002
3 Persons	$18,061	$36,122
4 Persons	$20,812	$41,624
5 Persons	$24,252	$48,504
6 Persons	$26,488	$52,976

*Statistics Canada Low Income Cutoffs
**Moderate income = low income x 2

Annex C

THE PLANNING ACT

Ontario

POLICY STATEMENT

Land Use Planning for Housing

A statement of Ontario Government policy issued under the authority of Section 3 of the Planning Act 1983

Approved by the
Lieutenant Governor in Council
Order in Council No. 1812/89
July 13, 1989

Chaviva Hošek
Minister of
Housing

John Eakins
Minister of
Municipal Affairs

AUTHORITY

This document is prepared under the authority of the Planning Act and is the Province of Ontario's Policy Statement on Land Use Planning for Housing.

This Provincial Policy Statement:

- is issued by the Minister of Municipal Affairs and the Minister of Housing;
- does not supercede or take priority over other policy statements issued under section 3 of the Planning Act, or any other policy approved by the Lieutenant Governor in Council;
- takes effect as of August 1, 1989.

DEFINITIONS

For the purposes of this Policy Statement:

Accessory Apartments means:

Self-contained apartments created through converting part of or adding on to existing homes (single detached, semi-detached, duplexes, triplexes, row houses, etc.).

Affordable means:

Annual housing costs (gross rent, or mortgage principle and interest (amortized over 25 years and assuming a 25% down payment) and taxes) which do not exceed 30% of gross annual household income.

Affordable Housing means:

Housing which would have a market price or rent that would be Affordable to households of low and moderate income. Households of low and moderate income are defined as households within the lowest 60 percent of the income distribution for the Housing Region. Affordable Housing could also include any government assisted housing recognized, from time to time, as Affordable Housing by the Minister of Housing.

Housing Region means:

The area defined by the Ministry of Housing in an annual Information Bulletin for the purpose of identifying the 60th percentile of household incomes to be used by each municipality in the Housing Region, for the purposes of defining Affordable Housing.

These regions have been determined based on Statistics Canada housing labour market area boundaries (Census Metropolitan Areas and Census Areas), along with contiguous Census Divisions (Counties, Regions) where income variations between the Census Divisions at the 60th percentile are within tolerable limits.

Infill means:

Development on vacant lots or underdeveloped lots in a developed area to create additional New Residential Units.

New Residential Development means:

Creation of New Residential Units on vacant land, where development has not previously taken place.

New Residential Units means:

Residential units constructed primarily for use as a principal residence.

Redevelopment means:

The creation of New Residential Units on land previously used for residential or non-residential purposes in existing communities, where demolition of the previous structures is to take place, or has taken place.

Residential Intensification means:

The creation of New Residential Units or accommodation in existing buildings or on previously developed, serviced land generally including:

- creation of rooming, boarding and lodging houses;
- creation of Accessory Apartments;
- conversion of non-residential structures to residential use;
- Infill;
- Redevelopment.

Zoning Standards means:

The provisions currently found in zoning by-laws such as (but not limited to): lot size; unit size; setbacks; lot coverage; parking requirements; density; etc.

POLICIES

It is the policy of the Province of Ontario that:

1. *GENERAL*

1.1 All planning jurisdictions, including municipalities and planning boards, consider the implications of their actions on the availability of housing to meet future local, regional and provincial needs.

2. *SUPPLY OF LAND*

2.1 All municipalities and planning boards maintain a supply of land for future residential use by:

a. designating sufficient lands for residential use, in the official plan, so that at least a ten-year supply of residential land is maintained at all times;

The amount of land to be designated will be based on:

i. A planning jurisdiction's reasonable share of the overall population growth and increased number of households in the broader community, reflecting the demographic and economic forecasts affecting the planning jurisdiction over a twenty-year time-frame:

ii. existing servicing capacity and future planned servicing expansion required to accommodate household growth for twenty years:

iii. residential densities to accommodate the range of housing types identified in accordance with section 4.1;

iv. the potential for Residential Intensification identified in accordance with section 5.1.

b. incorporating servicing policies in the official plan, to identify how growth on the lands designated for residential use will be accommodated;

These servicing policies will address:

i. existing servicing capacity;

ii. servicing improvements necessary to accommodate household growth over the twenty-year planning time-frame;

iii. implementation of future servicing improvements.

c. **establishing a target, to be reflected in the official plan, to maintain at least a continuous three-year supply of a combination of draft approved and/or registered lots and blocks on plans of subdivision in New Residential Development.**

2.2 **In regional municipalities and counties where the upper tier municipality is responsible for providing piped water and sewers, the upper tier official plan specify:**

a. **how much residential growth will occur, in accordance with section 2.1.a., in each area municipality within its jurisdiction;**

b. **servicing allocations and planned servicing improvements for all municipalities within its jurisdiction, identified in accordance with Section 2.1.b.**

3. *STREAMLINING THE PLANNING PROCESS*

3.1 **All municipalities and planning boards reduce the time to process residential applications, to the greatest extent practical by:**

a. **adopting a guideline outlining time frames and procedures at each stage of the approval process;**

This guideline will be based on information provided from time to time by the Ministry of Municipal Affairs;

b. **incorporating a policy in the official plan to:**

i. **indicate council/planning board commitment to adhere to the procedural guidelines; and,**

ii. **include time frames, identified in the procedural guidelines, for each stage of the approval process.**

4. *RANGE OF HOUSING TYPES*

4.1 **All municipalities and planning boards provide for a range of housing types, in New Residential Development and Residential Intensification by:**

a. **designating lands in the official plan specifying, at least, appropriate residential uses and densities;**

These land use designations will be based on:

i. housing needs, taking into consideration household size and income of new households expected in accordance with section 2.1.a., normally identified in a Municipal Housing Statement;

ii. the forms of housing which could be produced by the market or with government assistance to meet these housing needs;

iii. the forms and proportion of housing, identified as Affordable Housing in section 4.2.

b. establishing policies in the official plan so that the range of housing types, including the forms of housing identified as Affordable Housing in accordance with section 4.2., is distributed throughout the municipality/planning area on lands designated for residential use, but is not necessarily included in every application for New Residential Development or Residential Intensification;

c. incorporating implementation policies in the official plan to assist in achieving the identified range of housing types;

d. zoning lands to accommodate the range of housing types identified in the official plan, by:

i. establishing zones which permit the identified range of housing types;

ii. including zoning standards such as, but not limited to, residential densities, minimum lot standards, and unit and building areas and sizes, to permit the development of the identified range of housing types, and by eliminating any zoning standards which serve to preclude uses permitted by the official plan;

iii. where minimum unit size standards are provided, including standards which do not exceed those established in the Ontario Building Code for the protection of health and safety.

4.2 All municipalities and planning boards establish appropriate planning policies and standards which will enable at least 25% of New Residential Units resulting from New Residential Development and Residential Intensification through conversion of non-residential structures, Infill and Redevelopment, to be Affordable Housing, by:

a. identifying the forms of housing which could be developed as Affordable Housing;

These forms of housing are to be locally determined based on an analysis of:

i. incomes up to the 60th percentile in the Housing Region;

ii. the full range of housing needs for households within the lowest 60 percent of the income distribution for the Housing Region;

iii. a range of housing prices/rents to meet these needs;

iv. expected housing production costs and market prices/ rents;

v. the ability of the market to produce housing to meet the Affordable Housing definition;

vi. the amount of government-assisted housing needed in the municipality, normally identified in a Municipal Housing Statement.

5. *RESIDENTIAL INTENSIFICATION*

5.1 All municipalities and planning boards identify opportunities to increase the supply of housing through better use of existing resources, buildings or serviced sites to meet changing demographic trends and housing demands, and adopt a strategy to make use of those opportunities, by:

a. designating areas in the official plan where each form of Residential Intensification will be permitted;

These uses are to be permitted in areas which meet the following criteria:

i. the physical potential of the existing building stock or previously developed sites can accommodate the identified forms of Residential Intensification;

ii. the existing services can support new households in the affected area; and,

iii. the potential demand for these forms of accommodation, based on the housing needs of the composition of households in the broader community, in relation to the typical characteristics of units which could be produced through the varjous forms of Residential Intensification, can be demonstrated.

b. including zoning provisions to permit rooming, boarding and lodging houses, and Accessory Apartments as-of-right where they are permitted uses in the official plan;

c. adopting policies and development standards for New Residential Development so that alterations to create additional units in new building stock can take place in the future, as needs change within those communities, in keeping with the principles identified in 5.1.a.

6. *MONITORING*

6.1 All municipalities and planning boards monitor how the provisions of this Policy Statement are being achieved, by:

a. adopting procedures to review:

i. the adequacy of the supply of land, at least every five years;

ii. the range of housing forms produced through New Residential Development and Residential Intensification, annually;

iii. house prices for each housing form relative to income distribution for the Housing Region, annually;

iv. how targets for processing of land use planning applications are being achieved, every two years;

b. preparing a report to be endorsed by council on the results of the review conducted in accordance with section 6.1.a.;

c. updating planning documents and development approval procedures on the basis of the review conducted in accordance with section 6.1.a., as necessary, to maintain consistency with the intent of this Policy Statement;

d. incorporating a policy in the official plan to outline municipal/ planning board commitment to implement the provisions of this section.

7. *APPLICATION OF THE POLICY STATEMENT*

7.1 Counties with official plans may implement those policies in this Policy Statement relating to official plans, within the county official plan, on behalf of any or all municipalities within its jurisdiction, at the request of the council of the affected municipality.

7.2 Townships and villages with populations below 5,000 may use alternative approaches to reflect the Principles and to fulfill the Objectives of this Policy Statement except:

i. villages bounded by a township with a population in excess of 5,000;

ii. those townships and villages within the Census Metropolitan Areas of London, Toronto and Windsor.

7.3 Alternative approaches to implementing the Principles and fulfilling the Objectives of this Policy Statement may be adopted by planning boards, except for those portions of planning areas, which are either cities or towns.